



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-062]

Cast Iron Soil Pipe Fittings from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, in Part, Postponement of Final Determination and Extension of Provisional Measures

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that cast iron soil pipe fittings from the People's Republic of China (China) were sold in the United States at less than fair value (LTFV) during the period of investigation (POI), January 1, 2017, through June 30, 2017.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Sergio Balbontin or Michael Bowen, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6478 or (202) 482-0768, respectively.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 733(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this

investigation on August 8, 2017.<sup>1</sup> On November 27, 2017, Commerce postponed the preliminary determination of this investigation.<sup>2</sup> Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through 22, 2018. If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. The revised deadline for the preliminary determination of this investigation is now February 12, 2018.<sup>3</sup>

For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.<sup>4</sup> A list of topics included in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

### Scope of the Investigation

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<sup>1</sup> *See Cast Iron Soil Pipe Fittings from the People's Republic of China: Initiation of Less-Than-Fair Value Investigation*, 82 FR 37053 (August 8, 2017) (*Initiation Notice*).

<sup>2</sup> *See Cast Iron Soil Pipe Fittings from People's Republic of China: Postponement of Preliminary Determination in the Less-Than-Fair-Value Investigation*, 82 FR 55989 (November 27, 2017).

<sup>3</sup> *See* Memorandum for the Record from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government" (Tolling Memorandum), dated January 23, 2018. All deadlines in this segment of the proceeding have been extended by 3 days.

<sup>4</sup> *See* Memorandum, "Decision Memorandum for the Preliminary Determination in the Less-Than-Fair-Value Investigation of Cast Iron Soil Pipe Fittings from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

The products covered by this investigation are cast iron soil pipe fittings from China. For a complete description of the scope of this investigation, *see* Appendix I.

#### Scope Comments

In accordance with the preamble to Commerce's regulations,<sup>5</sup> the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (scope).<sup>6</sup> The petitioner commented on the scope of the investigation as it appeared in the *Initiation Notice*, proposing the addition of certain Harmonized Tariff System (HTS) codes.<sup>7</sup> We are not preliminarily modifying the scope language as it appeared in the *Initiation Notice*, but we invite parties to comment on whether to add the proposed HTS codes to the scope language.<sup>8</sup>

#### Methodology

Commerce is conducting this investigation in accordance with section 731 of the Act. Commerce calculated export prices and constructed export prices in accordance with sections 772(a) and (b) of the Act, respectively. Because China is a non-market economy within the meaning of section 771(18) of the Act, Commerce has calculated normal value in accordance with section 773(c) of the Act. Furthermore, pursuant to section 776(a) and (b) of the Act, Commerce preliminarily has relied upon facts otherwise available, with adverse inferences, for the China-wide entity. For a full description of the methodology underlying Commerce's preliminary determination, *see* the Preliminary Decision Memorandum.

#### Preliminary Affirmative Determination of Critical Circumstances, in Part

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<sup>5</sup> *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

<sup>6</sup> *See Initiation Notice*, 82 FR at 37053.

<sup>7</sup> *See* Letter from the petitioner, "Cast Iron Soil Pipe Fittings from the People's Republic of China: Pre-Preliminary Comments," dated January 18, 2018.

<sup>8</sup> *See* the Preliminary Decision Memorandum for further discussion.

In accordance with section 733(e) of the Act and 19 CFR 351.206, Commerce preliminarily determines that critical circumstances exist with respect to imports of cast iron soil pipe fittings from China for mandatory respondent Sibo International Limited (Sibo), the non-individually examined respondents found to be eligible for a separate rate, and the China-wide entity, but do not exist for mandatory respondents Shanxi Xuanshi Industrial Group Co., Ltd. (Shanxi Xuanshi) and Wor-Biz International Trading Co., Ltd. (Anhui) (Wor-Biz). For a full description of the methodology and results of Commerce's analysis, *see* the Preliminary Decision Memorandum.

#### Combination Rates

In the *Initiation Notice*,<sup>9</sup> Commerce stated that it would calculate producer/exporter combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.<sup>10</sup>

#### Preliminary Determination

Commerce preliminarily determines that the following estimated weighted-average dumping margins exist:

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<sup>9</sup> *See Initiation Notice*, 82 FR at 37057.

<sup>10</sup> *See* Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," (April 5, 2005) (Policy Bulletin 05.1), available on Commerce's Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

<b>Producer</b>	<b>Exporter</b>	<b>Estimated Weighted-Average Dumping Margin (percent)</b>	<b>Cash Deposit Rate (Adjusted for Subsidy Offsets) (percent)</b>
Shanxi Xuanshi Industrial Group Co., Ltd.	Shanxi Xuanshi Industrial Group Co., Ltd.	68.37	68.28
Qinshui Shunshida Casting Co., Ltd.	Sibo International Limited	109.95	109.79
Guang Zhou Premier & Pinan Foundry Co., Ltd./Botou Chenyuan Foundry Co., Ltd./Wuhu Best Machines Co., Ltd.	Wor-Biz Trading Co., Ltd. (Anhui)	78.86	78.63
Shijiazhuang Asia Casting Co., Ltd.	Shijiazhuang Asia Casting Co., Ltd.	88.47	88.31
Qinshui Shunshida Casting Co., Ltd./Xinle Xinye Metal Products Co., Ltd.	Shanxi Zhongrui Tianyue Trading Co., Ltd.	88.47	88.31
Qinshui Shunshida Casting Co., Ltd./Xinle Rishuo Casting Factory/Shijiazhuang Shunjinguangao Trade Co., Ltd./Xinle Tang Rong Fa Lan Pan Co., Ltd.	Dalian Lino F.T.Z. Co., Ltd.	88.47	88.31

Xinle City Zhile Pipeline Industry Co., Ltd./Qinshui Shunshida Casting Co., Ltd./Foshan City Deying Metal Products Co., Ltd.	Dinggin Hardware (Dalian) Co., Ltd.	88.47	88.31
Xinle Rishuo Casting Factory/Qinshui Shunshida Casting Co., Ltd.	Dalian Metal I/E Co., Ltd.	88.47	88.31
Qinshui County Xinwei Precision Co., Ltd.	Qinshui Shunshida Casting Co., Ltd.	88.47	88.31
Shanxi Guruiwei Casting Co., Ltd.	Richang Qiaoshan Trade Co., Ltd.	88.47	88.31
Shijiazhuang Jingruisheng Metal Products Co., Ltd./Qinshui Shunshida Casting Co., Ltd./Xinle City Zhile Pipe Co., Ltd.	Hebei Metals & Engineering Products Trading Co., Ltd.	88.47	88.31
CHINA-WIDE ENTITY		109.95	109.86

#### Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of subject merchandise as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*, as discussed below. Further, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), Commerce will instruct

CBP to require a cash deposit equal to the weighted-average amount by which normal value exceeds U.S. price, as indicated in the chart above as follows: (1) for the producer/exporter combinations listed in the table above, the cash deposit rate is equal to the estimated weighted-average dumping margin listed for that combination in the table; (2) for all combinations of Chinese producers/exporters of merchandise under consideration that have not established eligibility for their own separate rates, the cash deposit rate will be equal to the estimated weighted-average dumping margin established for the China-wide entity; and (3) for all third-country exporters of merchandise under consideration not listed in the table above, the cash deposit rate is the cash deposit rate applicable to the Chinese producer/exporter combination (or the China-wide entity) that supplied that third-country exporter.

Section 733(e)(2) of the Act provides that, given an affirmative determination of critical circumstances, any suspension of liquidation shall apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the later of (a) the date which is 90 days before the date on which the suspension of liquidation was first ordered, or (b) the date on which notice of initiation of the investigation was published. Commerce preliminarily finds that critical circumstances exist for imports of cast iron soil pipe fittings from China from the producer/exporter Siboh International Limited/Qinshui Shunshida Casting Co., Ltd., the non-individually examined respondents found to be eligible for a separate rate, and the China-wide entity. In accordance with section 733(e)(2)(A) of the Act, the suspension of liquidation shall apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the publication of this notice.

To determine the cash deposit rate, Commerce normally adjusts the estimated weighted-average dumping margin by the amount of domestic subsidy pass-through and export subsidies determined in a companion countervailing duty (CVD) proceeding when CVD provisional measures are in effect. Accordingly, where Commerce has made a preliminary affirmative determination for domestic subsidy pass-through or export subsidies,<sup>11</sup> Commerce has offset the calculated estimated weighted-average dumping margin by the appropriate rate(s). Any such adjusted rates may be found in the Preliminary Determination Section's chart of estimated weighted-average dumping margins above.

Should provisional measures in the companion CVD investigation expire prior to the expiration of provisional measures in this LTFV investigation, Commerce will direct CBP to begin collecting cash deposits at a rate equal to the estimated weighted-average dumping margins calculated in this preliminary determination unadjusted for the passed-through domestic subsidies or for export subsidies at the time the CVD provisional measures expire.

These suspension of liquidation instructions will remain in effect until further notice

#### Disclosure

Commerce intends to disclose to interested parties the calculations performed in connection with this preliminary determination within five days of its public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

#### Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify information relied upon in making its final determination.

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<sup>11</sup> See the Preliminary Decision Memorandum for further discussion.



### Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last final verification report is issued in this investigation. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.<sup>12</sup> Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this investigation are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC, 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

### Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in

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<sup>12</sup> See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements).

the event of a negative preliminary determination, a request for such postponement is made by the petitioner. 19 CFR 351.210(e)(2) requires that requests by respondents for postponement of a final antidumping determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

Between January 15, 2018, and January 25, 2018, pursuant to 19 CFR 351.210(b) and (e), Wor-Biz, Sibos, and Shanxi Xuanshi requested that Commerce postpone the final determination and that provisional measures be extended to a period not to exceed six months.<sup>13</sup> In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii) and (e)(2), because (1) the preliminary determination is affirmative; (2) the requesting exporters account for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, Commerce is postponing the final determination and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, Commerce's final determination will publish no later than 135 days after the publication of the preliminary determination notice.

#### International Trade Commission Notification

In accordance with section 733(f) of the Act, Commerce will notify the International Trade Commission (ITC) of its preliminary determination. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

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<sup>13</sup> See Letters from Wor-Biz, "Cast Iron Soil Pipe Fittings from the People's Republic of China: Request to Fully Extend the Final Results," dated January 18, 2018; Sibos, "Cast Iron Soil Pipe Fittings from the People's Republic of China - Submission Seeking Extension of Final Determination and Provisional Measures," dated January 19, 2018; and Shanxi Xuanshi, "Cast Iron Soil Pipe Fittings from the People's Republic of China ("Soil Pipe Fittings"); A - 570-062; Request for Extension of Final Determination and Provisional Measures," dated January 25, 2018. The petitioner does not oppose postponement of the final determination. See Letter from the petitioner, "Cast Iron Soil Pipe Fittings from the People's Republic of China: Request to Extend Final Determination," dated January 16, 2018.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

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Christian Marsh  
Acting Assistant Secretary  
for Enforcement and Compliance

February 12, 2018

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Date

## **Appendix I**

### **Scope of the Investigation**

The merchandise covered by this investigation is cast iron soil pipe fittings, finished and unfinished, regardless of industry or proprietary specifications, and regardless of size. Cast iron soil pipe fittings are nonmalleable iron castings of various designs and sizes, including, but not limited to, bends, tees, wyes, traps, drains, and other common or special fittings, with or without side inlets.

Cast iron soil pipe fittings are classified into two major types – hubless and hub and spigot. Hubless cast iron soil pipe fittings are manufactured without a hub, generally in compliance with Cast Iron Soil Pipe Institute (CISPI) specification 301 and/or American Society for Testing and Materials (ASTM) specification A888. Hub and spigot pipe fittings have hubs into which the spigot (plain end) of the pipe or fitting is inserted. Cast iron soil pipe fittings are generally distinguished from other types of nonmalleable cast iron fittings by the manner in which they are connected to cast iron soil pipe and other fittings.

The subject imports are normally classified in subheading 7307.11.0045 of the Harmonized Tariff Schedule of the United States (HTSUS): Cast fittings of nonmalleable cast iron for cast iron soil pipe. The HTSUS subheading and specifications are provided for convenience and customs purposes only; the written description of the scope of this investigation is dispositive.

## **Appendix II**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Postponement of Final Determination and Extension of Provisional Measures
- V. Scope Comments
- VI. Scope of the Investigation
- VII. Discussion of the Methodology
  - A. Non-Market Economy Country
  - B. Surrogate Country and Surrogate Value Comments
  - C. Separate Rates
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  - F. Application of Facts Available and Adverse Inferences
  - G. Date of Sale
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  - I. U.S. Price
  - J. Value-Added Tax (VAT)
  - K. Normal Value
  - L. Factor Valuation Methodology
- VIII. Currency Conversion
- IX. Adjustment Under Section 777(A)(F) of the Act
- X. Critical Circumstances
- XI. Adjustment for Countervailable Export Subsidies
- XII. Verification
- XIII. Conclusion

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